C1750-1

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Vol. 119 No. 4

FIN-SYN EXPECTATIONS II
Mergers the major anticipation

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THIS WEEK

27 / THE BIG PICTURE ON FIN-SYN

The television networks lost the syndication business 20 years ago, but now they're on the verge of getting at least part of it back. Foreign opportunities will have the most immediate impact, according to the second part of BROADCASTING's study of life after financial interest and syndication. Much of Wall Street is not focused on operations, however, but rather on a quick stock profit—assuming a studio/network merger. The long-term benefit, as opposed to short-term gain, is not as clear.

29 / SIKES FOR COMPETITION

FCC Chairman Alfred Sikes says the commission is unlikely to get enough money to implement any cable legislation now working its way through Congress. He says it wrongly favors regulation over competition.

30 / LAST MINUTE MANEUVERING

While King World Productions works package deal with KABC-TV Los Angeles and Buena Vista Television buys back *Challengers* from WCBS-TV for resale to WNBC-TV in New York, Television Progam Enterprises' *Preview: The Best of the New* loses what had been considered two top market access clearances.

31 / WHOLE LOT OF SHAKIN' GOING ON

NBC has announced a restructuring of its Entertainment division, moving Brandon Tartikoff into a newly created position of chairman, NBC Entertainment Group, with Warren Littlefield succeeding him as president of the Entertainment division.

33 / TELCO OBSTACLES

The NAB has released an issue paper containing harsh criticism of the telephone industry and saying that telcos can't be trusted. They should be permitted to enter the television business only as a common carrier, with no interest in programing, the NAB says.

The NAB is also part of a coalition that includes the National Cable Television Association, the American Newspaper Publishers Association, the Association of Independent Television Stations and the National Newspaper Association, all of which have sent letters to the Hill stating their strong objections to telco entry.

35 / RADIO SYNDICATION: FROM COUNTDOWNS TO TOP 40

This special radio report looks at what syndicators and network programers are offering—from Oldies to New Age, from countdowns to Top 40 hits—to fight format fragmentation and station resistance.

BROADCASTING also profiles individual program syndicators—including national radio networks distributing long- and short-form features, smaller companies that offer just one highly specialized feature and programers that provide satellite- and/or tape-delivered 24-hour music formats (page 42).

56 / CBS'S TENTH INNING

CBS says it will wait until after the World Series to unveil three of its fall series, which CBS Entertainment President Jeff Sagansky says will be heavily promoted during the games. As for the

network's ratings next season, Sagansky predicts that CBS will be "much closer to NBC than we were at the end of 30 weeks this year."

57 / ON THE FIRST-RUN TRAIL

Two late season, first-run launches from Hearst Entertainment Distribution, a division of The Hearst Corp., are part of Hearst's new effort to expand the formerly titled King Features Syndicate.

59 / GOING AFTER 'DEAR JOHN'

Embarking on a formal sales launch of *Dear John* after only two seasons on NBC's prime time schedule, Paramount is promising 90 episodes of the half-hour ensemble comedy for 1992-93 off-network syndication. However, if NBC cancels the show after next season, the studio is prepared to produce first-run barter front end. So far, 20 stations, mostly from ACT III, Chris-Craft/United Television and Meredith station groups, have bought into Paramount's four-year, eight-run cash backend contract.

61-65 / CTAM CABLE FOCUS

The CTAM gathering in San Diego provided attendees with a hard dose of reality, pulling together statistics that showed pay television as a mature business and basic as a rapidly maturing one. Pay television proponents Tony Cox (Showtime) and Michael Fuchs (HBO), however, disagreed that pay's best days are behind it, and believe its ills stem from poor marketing. Continental's Ted Livingston acknowledged operators could do better, but said the networks need to make programing and promotion adjustments.

FCC Chairman Alfred Sikes backs competition (page 29)

66 / SPREADING THE RISK

King World Productions Inc., syndicators of *Inside Edition, Monopoly* and *Jeopardy!*, is forming Merlin Programs Capital Inc., an investment fund to raise $36 million for program development. Two programs already pegged for Merlin money are *Only Yesterday* and the new version of *Candid Camera*.

74 / ONE WAY TO STAY LEGAL

The National Supervisory Network, a start-up company offering monitoring and remote control of radio station facilities via satellite, is picking up business after its first slow months in operation. Current customers are finding NSN an effective tool for keeping their stations within FCC regulations.

75 / TEST SCHEDULE...SOON?

Late equipment deliveries and last-minute details in setting test procedures have delayed setting a schedule for testing proposed HDTV transmission systems. Some still believe, however, that testing may begin by the end of the year.

76 / SARATOGA SUMMIT

The 29th annual meeting of the New York State Broadcasters Association drew such political heavyweights as New York Governor Mario Cuomo, his opponent in the upcoming election, Republican Pierre Rinfret, and New York City Mayor David Dinkins. National Association of Broadcasters President Eddie Fritts told the group that there have never been so many "life threatening" issues to broadcasters on the table at any one time in the past.

78 / PRE-ELECTION INSPECTION

FCC field agents conducted inspections of 30 TV and radio stations in five cities to make sure they were complying with political broadcasting rules, including the equal time and lowest unit charge requirement.

81 / CHARTING THE FUTURE OF HUNGARIAN TV

After emerging from Communist party rule, Hungary is on the verge of moving into the era of private broadcasting. The energy and ambition are evident, as indicated by a television service called Nap TV. But what some call "political gridlock" continues to prevent the government from creating the machinery and freeing the frequencies needed to establish a commercial system.

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STRONG SHOWING FOR URBAN IN SPRING ARBITRONS

It's gaining ground in New York and Los Angeles, unlike classic rock, which still remains nation's fastest growing format

Urban contemporary stations continue to be a force in the top two markets as they inch their way up the rankings, according to just-released Arbitron spring 1990 numbers. In New York, WRKS(FM) jumps to a 5.1 rating (12-plus, Monday-Sunday, 6 a.m. to midnight), only 0.1 away from the number one spot now held by easy listening simulcasters, WPAT-AM-FM.

In Los Angeles, Evergreen's urban KKBT(FM) seems to have found its niche, jumping from a 1.3 in the winter 1990 survey to a 3.1—only 0.2 away from Westwood One's KQLZ(FM) rating of 3.3, down from its winter rating of 3.6.

In Chicago, urban outlets WGCI-FM and WVAZ(FM) continue to gain on market leader WGN(AM), which dropped 0.3 to a 8.0 rating for the winter.

Classic rock, the country's fastest growing format, was a no show in the two top markets, but gained ratings in Chicago with WCKG(FM) moving up from a winter 3.8 to a 4.4; San Francisco's KSFO(AM), from a 1.3 to a 2.7; and Philadelphia's WYSP(FM), from a 6.2 to a 6.4.

In Los Angeles, the one, two and three spots remain unchanged from the winter, with soft contemporary keeping a small lead over perennial CHR competitors, KIIS-AM-FM and KPWR(FM).

Los Angeles also showed two foreign language stations in the top 10. Spanish-formatted KWKW(AM) has the slight edge over the Spanish-formatted KLVE(FM), with only a 0.1 rating between them.

In San Francisco, the market's news/talk station, KGO(AM), slipped to a 6.2 but retains the number one spot. CHR outlet KMEL(FM) is second, in the AM-dominated market, 2.2 ratings ahead of the closest format competitor and FM station. Notable by their absence are the easy listening simulcasters, KABL-AM-FM, dropping from a spring 1989 rating of 4.5 to a 2.6 in the spring 1990 survey.

In Philadelphia, Group W's WMMR-(FM) is number one with an 8.2 rating, and urban WUSL(FM) second, with a 6.8.

All results are based on the Arbitron spring 1990 radio local market report for March 29-June 20 (total persons, age 12-plus, average quarter hour shares, Monday-Sunday, 6 a.m.-midnight). The ratings data used is supplied by Arbitron and is copyrighted; it may not be reprinted or used in any form by nonsubscribers to the company's ratings services. –LC

Station	Format	Winter '90	Spring '90
1. New York			
*WPAT-AM-FM	Easy listening	4.0	5.2
WRKS(FM)	Urban contemp.	4.5	5.1
WCBS-FM	Oldies	5.1	4.6
WHTZ(FM)	CHR	4.7	4.6
WINS(AM)	News	4.8	4.3
WLTW(FM)	Soft contemp.	4.8	4.1
WQHT(FM)	CHR	4.0	4.0
WNEW-FM	AOR	3.4	3.9
WOR(AM)	Talk	4.0	3.9
WBLS(FM)	Urban contemp.	4.0	3.8
WNSR(FM)	Soft contemp.	3.0	3.7
WCBS(AM)	News	3.4	3.6
*WPAT-AM-FM were not simulcasting in winter 1990 survey			
2. Los Angeles			
KOST(FM)	Soft contemp.	6.4	6.2
KIIS-AM-FM	CHR	6.1	5.9
KPWR(FM)	CHR	5.6	5.0
KABC(AM)	Talk	4.4	4.3
KLOS(FM)	AOR	3.8	4.1
*KXEZ(FM)	Soft contemp.	2.9	3.4
KFWB(AM)	News	3.3	3.3
KQLZ(FM)	Rock hit	3.6	3.3
KWKW(AM)	Spanish	3.3	3.2
KKBT(FM)	Urban contemp.	1.3	3.1
KLVE(FM)	Spanish	3.0	3.1
KROQ-FM	AOR	3.2	3.1
KTWV(FM)	New A/ C	3.0	3.1
*Previous calls KJOI(FM)			
3. Chicago			
WGN(AM)	MOR/Talk	8.3	8.0
WGCI-FM	Urban contemp.	7.2	7.7
WVAZ(FM)	Urban contemp.	5.3	5.2
WBBM(AM)	News	4.5	4.6
WLUP-FM	Adult rock	4.0	4.5
WBBM-FM	CHR	4.4	4.4
WCKG(FM)	Classic rock	3.8	4.4
WKQX(FM)	CHR	3.0	3.5
WUSN(FM)	Country	3.5	3.4
WXEZ-AM-FM	Easy listening	4.2	3.4
WXRT(FM)	Adult rock	2.5	3.3
WTMX(FM)	Adult contemp.	3.5	3.2
4. San Francisco			
KGO(AM)	News/ talk	7.4	6.2
KMEL(FM)	CHR	5.5	5.4
KOIT-AM-FM	Soft contemp.	5.2	5.0
KFRC(AM)	Classic MOR	4.2	4.6
KNBR(AM)	Talk/sports	2.5	4.6
KCBS(AM)	News	4.9	4.3
KIOI(FM)	Adult contemp.	3.7	3.2
KSOL(FM)	Urban contemp.	2.7	3.2
KSAN-FM	Country	2.4	3.0
KSFO(AM)	Classic rock	1.3	2.7
KXXX-FM	CHR	2.7	2.7
KDFC-AM-FM	Classical	2.5	2.6
KFOG(FM)	AOR	2.0	2.6
KROR(FM)	AOR	2.9	2.6
5. Philadelphia			
WMMR(FM)	AOR	6.9	8.2
WUSL(FM)	Urban contemp.	6.7	6.8
WYSP(FM)	Classic rock	6.2	6.4
WEAZ-FM	Easy listening	6.3	6.1
KYW(AM)	News	7.4	5.8
WPEN(AM)	Nostalgia	6.0	5.2
WIOQ(FM)	CHR	5.9	5.1
WEGX(FM)	CHR	5.4	4.9
WXTU(FM)	Contemp. country	3.3	4.8
WOGL(FM)	Oldies	3.9	4.6
6. Detroit			
WJR(AM)	MOR/news/talk	7.9	8.5
WJLB(FM)	Urban contemp.	7.3	6.7
WLTI(FM)	Adult contemp.	4.3	5.7
WHYT(FM)	CHR	5.9	5.1
WKQI(FM)	CHR	4.4	4.8
WWJ(AM)	News	5.8	4.6
WLLZ(FM)	AOR	3.9	4.3
WWWW(FM)	Modern country	4.9	4.1
WJZZ(FM)	Jazz	4.0	4.0
WXYT(AM)	News/talk	3.5	3.9
7. Dallas-Ft. Worth			
KSCS(FM)	Country	8.8	8.6
KPLX(FM)	Country	5.6	7.4
KVIL-AM-FM	Adult contemp.	7.2	6.7
WBAP(AM)	Country	4.6	5.8
KKDA-FM	Urban contemp.	6.3	5.7
KHYI(FM)	CHR	4.5	4.7
KJMZ(FM)	Urban contemp.	5.2	4.6
KTXQ(FM)	AOR	4.3	4.4
KRLD(AM)	News/sports	4.5	4.2
KEGL(FM)	CHR	4.2	3.9
8. Boston			
WZOU(FM)	CHR	7.1	7.4
WXKS-FM	CHR	5.9	7.2
WBCN(FM)	AOR	4.6	7.1
WRKO(AM)	Talk	7.8	6.9
WBZ(AM)	Adult contemp.	7.3	5.9
WJIB(FM)	Easy listening	4.8	4.6
WODS(FM)	Oldies	4.1	4.1
WMJX(FM)	Contemp. hits	4.1	4.0
WHDH(AM)	Adult contemp.	4.6	3.9
WSSH-FM	Easy listening	4.3	3.6
9. Washington			
WGAY(FM)	Easy listening	6.2	7.1
WPGC-FM	CHR	7.4	6.8
WMZQ-AM-FM	Country	5.8	6.3
WKYS(FM)	Urban contemp.	7.0	4.8
WWA(FM)	CHR	4.0	4.2
WCXR(FM)	Classic rock	4.3	3.9
WTOP(AM)	News	3.9	3.8
WGMS-FM	Classical	2.5	3.3
WLTT(FM)	Adult contemp.	3.1	3.3
WRQX(FM)	CHR	3.4	3.2
10. Houston			
KMJQ(FM)	Urban contemp.	7.7	7.8
KIKK-FM	Country	7.7	7.7
KLOL(FM)	AOR	7.6	7.4
KILT-FM	Country	8.6	7.3
KKBQ-AM-FM	CHR	4.0	5.2
KTRH(AM)	News	5.1	4.6
KLTR(FM)	Adult contemp.	5.2	4.4
KRBE-FM	CHR	3.7	4.4
KODA(FM)	Adult spectrum	5.3	4.0
KZFX(FM)	Classic rock	3.4	3.7
KHYS(FM)	Urban contemp.	2.4	3.6

RATINGS ROUNDUP

For the week of July 9-15, NBC won the prime time ratings race, with a 9.8 rating/19 share, marking the network's 40th weekly win in the past 43 weeks. CBS was second with a 9.7/19, while ABC came third with a 9.1/18. Fox scored a 6.2/12. NBC was first on Wednesday, Thursday and Saturday nights; CBS took Monday, Tuesday and Sunday, and ABC won Friday. The top ranked show of the week was baseball's *All-Star Game* on CBS, which scored an 18.5/33 in prime time. The other top five programs, all repeats, were: NBC's *Cheers*, with a 16.2/29, remaining the top rated show for the season; Fox's *The Simpsons* (14.5/27); NBC's *The Cosby Show* (14.4/28), and ABC's *Roseanne* (14.0/24).

Week 42 **July 9–July 15**

1st column tells rank, 2nd column tells position compared to last week: ▼-Down in rank from last week, ▲-Up in rank from last week, ■-Premiere broadcast. 3rd column tells rating, 4th column tells network, 5th column tells show.

1	18.5/33	C	MLB All Star Game I
2 ▼	16.2/29	N	Cheers
3	14.5/27	F	Simpsons
4 ▼	14.4/28	N	Cosby
5 ▲	14.0/24	A	Roseanne
6 ▲	13.9/25	N	Movie:Love & Hate,Pt.1
7	13.6/26	N	A Different World
7	13.6/27	C	MLB All Star Pre Game
9 ▼	13.3/24	C	Designing Women
10 ▼	13.2/30	C	60 Minutes
11 ▲	13.1/26	A	Amer. Funniest Videos
11 ▼	13.1/27	N	Empty Nest
13 ▼	13.0/23	C	Murphy Brown
14 ▼	12.6/22	F	Married...With Children
14 ▲	12.6/25	N	Unsolved Mysteries
16 ▼	12.3/26	N	Golden Girls
16	12.3/22	N	Grand
18 ▲	12.2/22	A	Wonder Years
19	11.9/22	C	Primetime Pets Preview
20 ▲	11.6/23	A	Who's the Boss?
21 ▲	11.5/21	A	Doogie Howser, M.D.
21 ▼	11.5/24	A	20/20
23 ▼	11.4/19	A	Coach
23 ▼	11.4/19	F	In Living Color
25 ▼	11.3/22	A	Just the 10 Of Us
26 ▼	11.1/21	C	Murder, She Wrote
27	10.9/23	A	Family Matters
27 ▼	10.9/22	A	Perfect Strangers
29 ▲	10.5/19	A	Movie: Bourne, Pt.2
29 ▼	10.5/23	A	Full House
31 ▲	10.4/21	C	Major Dad
32 ▲	10.3/19	N	Dear John
32 ▲	10.3/22	N	Hunter
34 ▲	10.1/20	A	Growing Pains
34	10.1/19	C	His & Hers Special
36	10.0/18	N	Movie:Little Rich Girl 2
37 ▲	9.9/17	C	Movie: Gambler III, Pt.1
38	9.8/19	A	Head Of The Class
39 ▲	9.7/18	N	Night Court
39	9.7/19	C	Rescue: 911 Special
41 ▲	9.6/19	N	Quantum Leap
42 ▼	9.5/18	N	L.A. Law
42	9.5/18	A	Macgyver
42	9.5/19	N	Turner and Hooch
45 ▼	9.4/18	A	Primetime Live
46 ▼	9.2/17	N	Movie: Little Rich Girl 1
46 ■	9.2/17	C	Northern Exposure
48 ▲	8.6/16	C	Jake and The Fatman
48 ▲	8.6/15	A	thirtysomething
50 ▼	8.5/15	A	Movie: Man/Golden Gun
50	8.5/16	N	Poochinski
52 ▼	8.3/17	F	Amer. Most Wanted
52 ▼	8.3/16	C	48 Hours
54	7.9/14	A	Young Riders
55 ▼	7.8/15	A	Father Dowling
56 ▲	7.5/14	A	Brewster Place
57 ▼	7.3/17	N	Amen
57 ▼	7.3/16	N	Bret Maverick
57 ▼	7.3/15	N	Midnight Caller
60 ■	7.1/16	C	Primetime Pets
61 ▼	7.0/15	A	Mystery Movie:Stryker
62 ▼	6.7/14	C	Movie:Amer. Harvest
63 ▲	6.4/12	A	China Beach
64 ▼	6.3/15	A	Super Jeopardy!
64 ▼	6.3/13	N	Yellow Rose
66 ▲	6.2/15	N	227
67 ▼	6.0/14	F	Cops
68 ▼	5.9/11	F	Booker
68 ▲	5.9/14	C	Paradise
70 ▼	5.6/13	A	Monopoly
71	5.5/11	C	America:C. Brown
71	5.5/12	F	Totally Hidden Video
73 ▼	5.3/12	A	Life Goes On
73 ▼	5.3/11	C	Newhart
75 ▲	5.1/10	C	Normal Life
75 ▼	5.1/9	C	Wiseguy
77	4.9/10	N	Disney:Friendship/Vienna
77 ▼	4.9/10	C	Tour Of Duty.
79	4.3/9	C	Beauty & The Beast
80 ▲	4.0/8	F	21 Jump Street
81	3.9/8	F	Comic Strip Primetime
82	3.5/6	F	Alien Nation
82 ▼	3.5/8	F	Outsiders
84 ▲	2.5/5	F	Tracey Ullman

FREEZE FRAMES: Syndication Scorecard *

Week ended July 8

Rank	Program (Syndicator)	Rtg	Stns	Covg
1	Wheel of Fortune, syn. (King World)	11.0	233	99
2	Jeopardy! (King World)	10.0	220	99
3	Star Trek: Next Generation (Paramount)	8.2	235	98
4	Oprah Winfrey (King World)	7.6	211	98
5	Cosby Show (Viacom)	7.2	203	98
6	Current Affair(20th Century Fox TV)	7.0	195	98
7	Wheel of Fortune, wknd. (King World)	6.7	201	92
8	Entertainment Tonight (Paramount)	6.6	180	96
9	Donahue (Multimedia)	5.5	216	94
10	Color Classic Network (Turner Prog Svc)	5.1	162	93
10	Geraldo (Tribune)	5.1	183	96
10	Star Search (TPE)	5.1	172	96
13	Mama's Family-Syn (Warner Bros Dom TV)	4.6	177	92
14	People's Court (Warner Bros Dom TV)	4.5	177	88
15	Inside Edition (King World)	4.4	117	78

* Nielsen weekly pocketpiece

Source: Nielsen and Broadcasting's own research.

National spot will go from $7.4 billion in 1989 to $9.9 billion in 1994. The forecast looks for spot growth to be slow in 1990-91 due to a weak economy, but to pick up in 1992 and 1993 because of improved gross national product growth.

Both subscription and advertising spending growth will decline over the next five years, the study says. The forecast calls for annual cable subscription spending to grow at a compound annual rate of 7.2%, 3.7% less than the growth rate for the last five years. In dollar terms, subscription spending will reach $16.5 billion in 1994. Cable penetration will be slowed considerably over the next five years—only a 2.0% increase in homes passed compared to 15.4% during the last five years and only 5.0% growth in subscribers over the next five years to 59% penetration compared to 15% for the previous forecast period. "It will be difficult for cable penetration to surpass the 60% level," Suhler said, adding that "the percentage of homes passed by cable is not expected to exceed 90%, when cable construction is finally completed. Therefore, growth must come primarily from subscribers in homes already passed by cable." Suhler said that with cable's availability to practically the entire country, the phase of "rapid expansion is nearing an end."

Revenue from subscription fees, the study says, will be limited by reregulation. The forecast predicts a 4.1% compound annual increase in subscription fees during the next five years compared to the 11.0% increase of the last three years.

The picture for pay cable is also dimming. The study says the number of pay cable subscribers will grow from 36.4 million to 41.2 million over the next five years. According to the study, pay cable will continue to face serious challenges from movies available on home video and basic cable. "Pay cable services," the forecast says, "face a challenge in differentiating their services and justifying their premium fees." As rates continue to increase, the study expects the average number of pay services per pay cable household to decline from 1.3% to 1.2% in 1992. Pay cable fees will increase by only 1% annually over the next five years.

Cable advertising will see a 13.7% compound annual gain by 1994 to $3 billion. The rate of growth is lower than the 21.7% annual growth of the last forecast period, but is still ahead of the predicted growth rate of network and national spot advertising.

The forecast looks for local cable advertising to grow from $340 million in 1989 to $655 million in 1994. The compound annual growth rate of 14.4% is less than half of the 33.6% increase for the 1984-1989 cycle.

Cable may not have to worry too much about direct broadcast satellites (DBS). The forecast says the "environment for DBS has worsened in the past decade, which again raises the issue of DBS's viability." Veronis, Suhler feels households that do not subscribe to cable probably will not subscribe to DBS. "Furthermore, it is unclear what types of programing DBS can provide that are not already available on cable. Thus, it is difficult to envision a situation where cable subscribers would either switch to or add a DBS service." There could be a demand for DBS in regions where there is no cable access, however. The study estimates that by 1994, less than 13% of U.S. television households will be without penetration. If half of those households choose DBS at a monthly cost of $20, the forecast says total DBS subscription spending will be about $1.5 billion by 1994, a fraction of cable revenues. DBS, the study says, will probably be no more than a supplementary service for households that do not have cable.

Aside from success as a programer of championship fights, the study says pay-per-view has yet to realize its potential. As a movie channel, pay-per-view competes with the home video industry. In most cases, home video is cheaper than pay-per-view and viewers, the study says, prefer choosing what to watch.

Radio, Suhler says, "is one of the most durable versatile media that we have." The forecast looks for radio advertising to grow by 8% over the next five years to $12.3 billion. Last year, advertising spending was up 11.3% to $7.5 billion, the same growth level for 1988.

The forecast predicts national spot advertising will reach $2.3 billion by 1994, an annual growth rate of 8.4%, 3% higher than the last forecast period. The study attributes the growth to more listeners and an improved national advertising market. Local advertising is expected to grow at a compound annual rate of 7.9%, to $9.3 billion by 1994, which is slightly off from the 8.1% annual increase of the last five years. For 1989, local radio advertising accounted for $6.4 billion or 75.7% of the $8.4 billion spent on radio advertising, the forecast says.

Advertising on network radio will grow at an average of 8.1% for the next five years, just below the 8.2% average for 1984-1989. Network advertising, the

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VERONIS, SHULER & ASSOCIATES FIVE-YEAR FORECAST

	1989 ($ Bil)	1994 ($ Bil)	Compound annual growth
Network TV advertising	$9.3	$12.6	6.6%
Spot TV advertising	$7.4	$9.9	6.0%
Local TV advertising	$7.8	$11.2	7.7%
Total TV advertising	$24.5	$33.9	6.8%
Pay cable subscriptions	$4.1	$5.1	4.5%
Basic cable subscriptions	$7.6	$11.4	8.5%
National cable advertising	$1,225	$2,310	13.5%
Local cable advertising	$.340	$.665	14.3%
Total cable TV spending	$13.3	$19.5	8.0%
Network radio advertising	$.506	$.700	8.1%
Spot radio advertising	$1,560	$2,340	8.4%
Local radio advertising	$6,350	$9,300	7.9%
TV network program buying	$4,125	$5,925	7.5%
TV station program buying	$1,750	$2,500	7.4%
Cable TV program buying	$2,050	$3,225	9.5%
Barter syndication program	$1,215	$2,450	15.1%
Total program expenditures	$9,140	$14.1	9.1%

report says, should reach $700 million in 1994 and will be aided by stabilizing audience levels and stronger national advertising.

Listenership in radio should remain consistent. According to the forecast, FM will see small growth, about 1.0% over the next five years, while AM is expected to decline at a compound annual rate of 0.5%. The AM decline is an improvement. The report says that for the previous five years, AM radio averaged 6.1% reduction in audience share.

On the entertainment side, the forecast says that moderating revenue growth will constrain the television industry (networks, stations, cable networks and barter syndication) with regards to paying more for programing. The study says that total TV programing will reach $14.1 billion by 1994, a $5 billion increase from 1989.

The three networks, according to the forecast, will see program spending increase at a 7.5% compound annual rate, about the same rate as the previous five years. By 1994, programing expenditures will total $5.9 billion.

Demand for programing by TV stations, which was given a boost by the boom in independent stations, will slow down. As a result, high license fees will decline. The rapid growth of barter syndication will also help keep licensee fees in line.

Barter syndication, which the forecast calls the fastest programing purchaser over the past five years, will continue its fast growth. Syndicators, the study says, "will use barter to augment revenues, anticipating that additional barter income will more than compensate for lost license fees." Barter syndication spending will be at $2.5 billion in 1994, up $1.3 billion from last year.

The communications industry as a whole, including the Fifth Estate, filmed entertainment, publishing, recorded music and various other segments, will continue to outpace the overall economic growth during the next five years. The forecast says communications industry spending will grow 7.6%, reaching $461 billion by 1994, up $320 million from 1989. Overall growth, though, will be below the 8.9% average from 1984 to 1989. The communications industry, according to the Veronis, Suhler forecast, is now the sixth largest in the U.S. -JF

Marietta sues Intelsat

Martin Marietta Corp. beat Intelsat to the judicial punch, filing a suit against Intelsat in U.S. District Court in a squabble over the failed launch of a $157 million Intelsat VI satellite by Martin Marietta on March 14. In a two-count complaint, Martin Marietta asked the court for a declaratory ruling that under the terms of its contract, it was not liable for the loss. According to the suit, Intelsat demanded on July 3 that Martin Marietta cover the loss, which includes not only the cost of the satellite, but also $112 million for launch services. Marietta, which admits its error stranded the communications satellite in a useless, low earth orbit, said it arranged $220 million in insurance, but Intelsat chose not to take it. If held liable, the complaint said, Martin Marietta would be forced to increase prices to a point where its service are no longer competitive.

This announcement appears as a matter of record only. June 30, 1990.

KCI Radio Partners, Ltd.

$1,300,000 Private Placement of Limited Partnership Equity

$2,300,000 Senior Secured Credit Facility

The undersigned served as financial advisor to KCI Radio Partners, Ltd. in the purchase of KKBB-FM in Bakersfield, California.

MALARKEY-TAYLOR ASSOCIATES, INC.
COMMUNICATIONS CONSULTANTS, APPRAISERS & INVESTMENT ADVISORS

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CHANGING HANDS

WAWK(AM) Kendallville and WBTU(FM) Fort Wayne, both Indiana. □ Sold by Fort Wayne Media Ltd. to Kempff Communications Co. for $5.6 million ("In Brief," July 16). Price includes $3.2 million cash at closing, $1.6 million noncompete covenant and $800,000 promissory note payable in 10 years at 10%. Stations were acquired in December 1986 and January 1987 respectively. Seller is headed by Carl Lanci and has no other broadcast interests. Buyer is headed by Ronald L. and Paul L. Kempff, father and son, and is licensee of WKKI-FM Celina, Ohio, and KLDZ-FM Lincoln, Neb. WAWK is daytimer with oldies format on 1140 khz with 250 watts. WBTU has country format on 93.3 mhz with 50 kw and antenna 450 feet above average terrain. *Broker: Lee M. Hague of Cecil L. Richards Inc.*

WVMI(AM)-WQID(FM) Biloxi, Miss. □ Sold by Family Group Broadcasting Operating Ltd. to Telesouth Communications Inc. for $2.1 million. Price includes $50,000 deposit with balance due in cash at closing. Stations were acquired in October 1987 for $7.9 million. Seller is headed by Ian Wheeler and Frank S. Detillo, and has interest in WPGX-TV Panama City, Fla., and WLKT-TV Lexington, Ky. Buyer is headed by Stephen C. Davenport and Harris B. Henley, and is licensee of WKXG(AM)-WYMX(FM) Greenwood, Miss. WVMI has country format on 570 khz with 5 kw day and 1 kw night. WQID has Top 40 format on 93.7 mhz with 100 kw and antenna 1,012 feet above average terrain. *Broker: The Connelly Co.*

PROPOSED STATION TRADES

Station deals last week: **19**
Dollar value: **$12,404,010**
1990 station deals: **505**
1990 value: **$1,289,747,401**

WSJU(TV) San Juan, P.R. □ Sold by For Three Star Telecast to International Broadcasting Corp. for $1.22 million. Price includes $1 million cash at closing and $220,000 assumption of debt. Station went on air in August 1984. Seller is headed by Barakat Saleh and Len Gawrych and has interest in WSVI(TV) Christiansted, St. Croix, V.I. Buyer is headed by Pedro Roman Collazo and Margarita Nazario and is licensee of WVOZ-FM Carolina, P.R., and parent of Continental Broadcasting Corp., licensee of WVOZ(AM) San Juan, P.R. Collazo owns 100% of Southwestern Broadcasting Corp., licensee of WYKO(AM) Sabana Grande and WBOZ-FM Hormigueros, both Puerto Rico. Sale of WVOZ(AM) and WYKO(AM) to Aerco and Juan Galiano Rivera, respectively, are pending. WSJU is NBC affiliate on ch. 18 with 700 kw vis. 70 kw aural and antenna 2,790 feet above average terrain.

WBTR-FM Carrollton, Ga. □ Sold by Carroll County Media Inc. to Reliance Broadcasting Inc. for $1.115 million. Total is due in cash at closing, and includes $300,000 noncompete covenant and $15,000 for accounts receivable. Station was acquired in July 1985 for $525,000. Seller is headed by Dallas M. Tarkenton, who has interest in Tarkenton Broadcasting Co., licensee of WJGA(FM) Jackson, Ga. Tarkenton is brother of former NFL quarterback Fran Tarkenton. Buyer is headed by Sheldon and Paula Davis, Jeffrey Davis, F.J. Damewood III and Kenneth L. Bazzle, and has no other broadcast interests. WBTR-FM has adult contemporary format on 92.1 mhz with 580 watts and antenna 635 feet above average terrain. *Broker: The Thorburn Co.*

KXTQ(AM)-KKIK(FM) Lubbock, Tex. □ Sold by Bakcor Broadcasting Inc., debtor in possession, to William S. Sanders for $750,000. Total is due in cash at closing. Stations were acquired in March 1987 for $1.3 million. Seller is headed by George Bakke and recently sold KORQ-AM-FM Abilene, and KMND(AM)-KNMF(FM) Midland, both Texas. Buyer is headed by William S. Sanders, who is 86.83% shareholder of Wagontrain Communications Inc., which owns 100% of Arroyo Broadcasting Corp., licensee of KPER-FM Hobbs, N.M. Sanders

MID-ATLANTIC BROADCASTING COMPANY

$9,250,000
Refinancing of Senior Credit Facility

The undersigned acted as financial advisor to the borrower and arranged for the private placement of the notes.

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